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December 6, 2004

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CONNECTICUT OFFICE OF
HEALTH CARE ACCESS

Commissioner Cristine Vogel
Office of Health Care Access
410 Capitol Avenue, MS#13HCA
P.O. Box 340308
Hartford, CT 06134-0308

Re: Letter of Intent: Yale-New Haven Cancer Center/North Pavilion

Dear Commissioner Vogel:

Yale-New Haven Hospital (Y-NHH) is pleased to submit a Letter of Intent for the Yale-New Haven Cancer Center/North Pavilion. This project involves the construction of a new facility at Park Street and South Frontage Road, at the current location of the Grace Building. The building will be constructed and owned by Yale-New Haven Hospital, and will occupy 497,000 square feet on Y-NHH's existing medical campus.

Forecasts for the next several years indicate that the facilities at Yale-New Haven Hospital will exceed capacity, which will severely constrain its ability to meet projected service volumes. The Yale-New Haven Cancer Center/North Pavilion will enable Yale-New Haven Hospital to accommodate this increasing demand for services, update existing facilities and consolidate oncology services. The estimated total capital expenditure associated with this project is \$410,310,000.

Please forward any correspondence to:

Jean Ahn
Director, Planning and Business Development
Yale-New Haven Hospital
20 York Street
New Haven, CT 06504
(203) 688-2609

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read 'Norman G. Roth'.

Norman G. Roth
Senior Vice President, Administration

cc: Jeanette Schreiber, Esq.

20 York Street
New Haven, CT 06504



**State of Connecticut
Office of Health Care Access
Letter of Intent/Waiver Form
Form 2030**

All Applicants must complete a Letter of Intent (LOI) form prior to submitting a Certificate of Need application, pursuant to Sections 19a-638 and 19a-639 of the Connecticut General Statutes and Section 19a-643-79 of OHCA's Regulations. Please submit this form to the Commissioner of the Office of Health Care Access, 410 Capitol Avenue, MS# 13HCA, P.O. Box 340308, Hartford, Connecticut 06134-0308.

SECTION I. APPLICANT INFORMATION

If there are more than two Applicants, please attach a separate sheet of paper and provide additional information in the format below.

	Applicant One	Applicant Two
Full legal name	Yale-New Haven Hospital	
Doing Business As	Yale-New Haven Hospital	
Name of Parent Corporation	Yale-New Haven Health Services Corporation	
Mailing Address, if Post Office Box, include a street mailing address for Certified Mail	20 York Street New Haven, CT 06504	
Applicant type (e.g., profit/non-profit)	Non-Profit	
Contact person, including title or position	Jean Ahn Director	
Contact person's street mailing address	Yale-New Haven Hospital 20 York Street New Haven, CT 06504	
Contact person's phone #, fax # and e-mail address	(203) 688-2609 (Phone) (203) 688-5013 (Fax) Jean.Ahn@ynhh.org	

SECTION II. GENERAL APPLICATION INFORMATION

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Proposal/Project Title:

Yale-New Haven Cancer Center/North Pavilion

Type of Proposal, please check all that apply:

- ☒ Change in Facility (F), Service (S) or Function (Fnc) pursuant to Section 19a-638, C.G.S.:
- | | | |
|---|---|--|
| <input checked="" type="checkbox"/> New (F, S, Fnc) | <input checked="" type="checkbox"/> Replacement | <input type="checkbox"/> Additional (F, S, Fnc) |
| <input checked="" type="checkbox"/> Expansion (F, S, Fnc) | <input checked="" type="checkbox"/> Relocation | <input type="checkbox"/> Service Termination |
| <input checked="" type="checkbox"/> Bed Addition | <input type="checkbox"/> Bed Reduction | <input type="checkbox"/> Change in Ownership/Control |
- ☒ Capital Expenditure/Cost, pursuant to Section 19a-639, C.G.S.:
- ☒ Project expenditure/cost greater than \$ 1,000,000
- ☒ Equipment Acquisition greater than \$ 400,000
- | | | |
|---|--|---|
| <input checked="" type="checkbox"/> New | <input checked="" type="checkbox"/> Replacement | <input checked="" type="checkbox"/> Major Medical |
| <input checked="" type="checkbox"/> Imaging | <input checked="" type="checkbox"/> Linear Accelerator | |
- ☐ Change in ownership or control, pursuant to Section 19a-639 C.G.S., resulting in a capital expenditure over \$1,000,000

a. Location of proposal (Town including street address):

20 York Street, New Haven, CT 06504

b. List all the municipalities this project is intended to serve:

Please see response to Question 3 in Project Description.

c. Estimated starting date for the project:

September 2005

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- d. Type of project: **4, 10, 11, 13, 17, 19, 20, 21, 22, 25, 27, 28, 30, 31** (Fill in the appropriate number(s) from page 7 of this form)

Number of Beds (to be completed if changes are proposed)

Type	Existing Staffed	Existing Licensed	Proposed Increase (Decrease)	Proposed Total Licensed
Acute Care	854	944	22	966

SECTION III. ESTIMATED CAPITAL EXPENDITURE INFORMATION

- a. Estimated Total Capital Expenditure: \$ 410,310,000
- b. Please provide the following breakdown as appropriate:

Construction/Renovations	\$300,164,000
Medical Equipment (Purchase)	\$19,509,488
Imaging Equipment (Purchase)	\$22,338,032
Non-Medical Equipment (Purchase)	\$25,290,480
Sales Tax	\$ -
Delivery & Installation	\$2,508,000
Total Capital Expenditure	\$369,810,000
Capitalized Interest	\$35,300,000
Financing Costs	\$5,200,000
Total Capital Cost	\$410,310,000

Major Medical and/or Imaging equipment acquisition:

Equipment Type	Name	Model	Number of Units	Cost per unit
Please see Appendix 1				

Note: Provide a copy of the contract with the vendor for major medical/imaging equipment.

The vendor quote may not be presented at this time due to confidential final negotiations.

- c. Type of financing or funding source (more than one can be checked):

☒ Applicant's Equity ☐ Lease Financing ☐ Conventional Loan

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- ☒ Charitable Contributions ☒ CHEFA Financing ☐ Grant Funding
☒ Funded Depreciation ☒ Other (specify): Medical Office Space Payments

SECTION IV. PROJECT DESCRIPTION

Please attach a separate 8.5" X 11" sheet(s) of paper and provide no more than a 2 page description of the proposed project, highlighting all the important aspects of the proposed project. Please be sure to address the following (if applicable):

1. Currently what types of services are being provided? If applicable, provide a copy of each Department of Public Health license held by the Petitioner.
2. What types of services are being proposed and what DPH licensure categories will be sought, if applicable?
3. Who is the current population served and who is the target population to be served?
4. Identify any unmet need and how this project will fulfill that need.
5. Are there any similar existing service providers in the proposed geographic area?
6. What is the effect of this project on the health care delivery system in the State of Connecticut?
7. Who will be responsible for providing the service?
8. Who are the payers of this service?

If requesting a Waiver of a Certificate of Need, please complete Section V.

SECTION V. WAIVER OF CON FOR REPLACEMENT EQUIPMENT

I may be eligible for a waiver from the Certificate of Need process because of the following: (Please check all that apply)

- ☐ This request is for Replacement Equipment.
 - ☐ The original equipment was authorized by the Commission/OHCA in Docket Number: _____.
 - ☐ The cost of the equipment is not to exceed \$2,000,000.
 - ☐ The cost of the replacement equipment does not exceed the original cost increased by 10% per year.

Please complete the attached affidavit for Section V only.

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AFFIDAVIT

Applicant: **Yale-New Haven Hospital**

Project Title: **Yale-New Haven Cancer Center/North Pavilion**

I, **James Staten**, **Chief Financial Officer** of **Yale-New Haven Hospital**, being duly
(Name) (Position – CEO or CFO)
sworn, depose and state that the information provided in this CON Letter of

Intent/Waiver Form (2030) is true and accurate to the best of my knowledge, and that

Yale-New Haven Hospital complies with the appropriate and applicable criteria as set
(Facility Name)

forth in the Sections 19a-630, 19a-637, 19a-638, 19a-639, 19a-486 and/or 4-181 of the

Connecticut General Statutes.


Signature

12/6/04
Date

Subscribed and sworn to before me on 12/6/04


Notary Public/Commissioner of Superior Court

Patricia C. Fiorentino
NOTARY PUBLIC

My commission expires: MY COMMISSION EXPIRES DEC. 31, 2004

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Project Type Listing

Please indicate the number or numbers of types of projects that apply to your request on the line provided on the Letter of Intent Form (Section II, page 2).

Inpatient

1. Cardiac Services
2. Hospice
3. Maternity
4. Med/ Surg.
5. Pediatrics
6. Rehabilitation Services
7. Transplantation Programs
8. Trauma Centers
9. Behavioral Health (Psychiatric and Substance Abuse Services)
10. Other Inpatient

Outpatient

11. Ambulatory Surgery Center
12. Birthing Centers
13. Oncology Services
14. Outpatient Rehabilitation Services
15. Paramedics Services
16. Primary Care Clinics
17. Urgent Care Units
18. Behavioral Health (Psychiatric and Substance Abuse Services)
19. MRI
20. CT Scanner
21. PET Scanner
22. Other Imaging Services
23. Lithotripsy
24. Mobile Services
25. Other Outpatient
26. Central Services Facility

Non-Clinical

27. Facility Development
28. Non-Medical Equipment
29. Land and Building Acquisitions
30. Organizational Structure (Mergers, Acquisitions, Affiliations, and Changes in Ownership)
31. Renovations
32. Other Non-Clinical

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SECTION IV: PROJECT DESCRIPTION

- 1. Currently what types of services are being provided? If applicable, provide a copy of each Department of Public Health license held by the Petitioner.**

Yale-New Haven Hospital (Y-NHH) is the primary teaching hospital for the Yale School of Medicine and a major community hospital for residents of the greater New Haven area. The Hospital offers a full array of primary to quaternary patient services; many quaternary services have been designated as regional or national referral services.

A copy of YNHH's Department of Public Health (DPH) License is presented as Appendix 2.

- 2. What types of services are being proposed and what DPH licensure categories will be sought, if applicable?**

The proposed Cancer Center/North Pavilion will include four (4) inpatient care units dedicated to medical, surgical and gynecologic oncology; chemotherapy and apheresis; radiation therapy; operating rooms; ambulatory procedure rooms; diagnostic imaging modalities; labs and phlebotomy; and oncology clinics. No additional DPH licensure categories are needed.

- 3. Who is the current population served and who is the target population to be served?**

The current population served and the target population to be served include the residents of Ansonia, Bethany, Branford, Cheshire, Clinton, Deep River, Derby, East Haven, Essex, Guilford, Hamden, Killingworth, Madison, Meriden, Milford, New Haven, North Branford, North Haven, Old Saybrook, Orange, Oxford, Seymour, Wallingford, Westbrook, West Haven and Woodbridge. In addition, many Yale-New Haven Hospital quaternary services have been designated as regional or national referral services, and will continue to serve patients referred regionally or nationally.

- 4. Identify any unmet need and how this project will fulfill that need.**

The proposed Cancer Center/North Pavilion will address several critical needs at Yale-New Haven Hospital:

- To expand the Hospital's facilities to meet the immediate and projected demand for hospital services. The Hospital has experienced a 20 percent growth in discharges over the past five years, and has projected continued growing patient demand for services. Rapidly growing need and demand for care is due in part to the aging of the "baby boomers", which is already impacting the need for services throughout the Hospital.
- To update facilities and address existing facility constraints due to the age of some current Hospital structures and facilities. The Hospital proposes to update existing facilities, infrastructure and technology to continue to support advanced clinical care.
- To consolidate and enhance the Hospital's existing cancer services and provide the facilities needed to support specialized oncology services at the level demanded of a National Cancer Institute (NCI)-affiliated comprehensive clinical cancer center. The proposed project seeks to address current and growing demand for oncology services. Many cancers have evolved into chronic illnesses, for which patients generally need to visit the Hospital several times to fulfill treatment requirements or to be treated for the

recurrence of the disease. Existing cancer diagnostic and treatment facilities are geographically dispersed throughout the Yale-New Haven medical campus, often making it inconvenient and difficult for our patients, many of whom are extremely ill, to navigate the system. The proposed project will allow Y-NHH to integrate and consolidate cancer services in order to resolve accessibility issues, while enhancing the quality of care and the technology available to patients. Approval of this project will enable Yale-New Haven Hospital to address the rapidly growing need and demand for all levels of hospital care in our community and will result in a state-of-the-art facility which will fully integrate outpatient and inpatient cancer facilities, and provide convenient, comprehensive, high-quality oncology services for Yale-New Haven Hospital patients and their families.

5. Are there any similar existing service providers in the proposed geographic area?

In addition to Yale-New Haven Hospital, the Hospital of Saint Raphael, Griffin Hospital, Milford Hospital, and MidState Hospital provide oncology services to patients in the proposed geographic area. However, the level and degree of quaternary services provided differ, as do the number and types of clinical studies offered to patients. The Yale-New Haven Medical Center is home to one of the 38 National Cancer Institute-designated comprehensive cancer centers in the United States and the proposed Yale-New Haven Cancer Center will provide a range of highly specialized services, research opportunities, and clinical trials.

6. What is the effect of this project on the health care delivery system in the State of Connecticut?

Patients requiring highly specialized treatments often must travel out of state (e.g., Dana-Farber Cancer Institute in Boston or Memorial Sloan-Kettering Cancer Center in New York) to receive the cancer care they need. The proposed project will create an integrated, comprehensive, state-of-the-art cancer center within the State providing a level of specialized services similar to the comprehensive cancer centers in Boston and New York. This will allow patients to receive specialized high-quality care closer to home and limit the distance family members must travel.

7. Who will be responsible for providing the service?

Yale-New Haven Hospital

8. Who are the payers of this service?

The payers for this service include Medicare, Medicaid, Aetna, Blue Cross, Cigna, Connecticare, HMCPPPO, Oxford, PHS, United Healthcare, Workers Compensation, Yale Health Plan and others.

PROJECT DESCRIPTION

Yale-New Haven Hospital (Y-NHH) is proposing to establish a state-of-the-art, 497,000 square foot, 14-story comprehensive Cancer Center/North Pavilion on its existing campus in New Haven. As the second phase of the previously approved North Pavilion Enabling Project, the proposed new facility is to be built on the existing Grace Building site, currently at South Frontage Road and Park Street, in New Haven.

The proposed state-of-the-art Cancer Center/North Pavilion will integrate a wide range of therapies with a strong focus on patient-centered care, fully integrating outpatient and inpatient cancer facilities. It will include four (4) inpatient care units dedicated to medical, surgical and gynecologic oncology; a comprehensive women's cancer center; chemotherapy and apheresis; radiology and radiation therapy services; expanded operating rooms; ambulatory procedure rooms; diagnostic imaging modalities; labs and phlebotomy; and oncology clinics. The proposed center will also have a roof top healing garden and comfortable patient amenities to complement the latest treatment modalities and new technologies. The total estimated cost of this project is \$410,310,000 (in addition to the \$19,990,000 already approved for the Enabling project).

The proposed Cancer Center will address several critical needs at Yale-New Haven Hospital:

- To expand the Hospital's facilities to meet the immediate and projected demand for hospital services in our community. The Hospital has experienced a 20 percent growth in discharges over the past five years, and has projected continued growing patient demand for services. Rapidly growing need and demand for care is due in part to the aging of the "baby boomers", which is already impacting the need for services throughout the Hospital.
- To update facilities and address existing facility constraints due to the age of some current Hospital structures and facilities. The Hospital proposes to update existing facilities, infrastructure and technology as needed to continue to support advanced clinical care.
- To consolidate and enhance the Hospital's existing cancer services and provide the facilities needed to support specialized oncology services at the level demanded of a comprehensive clinical cancer center affiliated with a National Cancer Institute (NCI)-designated center. The proposed project seeks to address the need to accommodate oncology services at a highly specialized and regional level while providing for overall future volume growth in our

community. Many cancers have evolved into chronic illnesses, for which patients generally need to visit the Hospital several times to fulfill treatment requirements or to be treated for the recurrence of the disease. Existing cancer diagnostic and treatment facilities are geographically dispersed throughout the Yale-New Haven medical campus, often making it inconvenient and difficult for our patients, many of whom are extremely ill, to navigate the system. The proposed project will allow Y-NHH to integrate and consolidate cancer services in order to resolve accessibility issues, while enhancing the quality of care and the technology available to patients.

Approval of this project will enable Yale-New Haven Hospital to address the rapidly growing need and demand for all levels of hospital care in our community and will result in a state-of-the-art facility which will fully integrate outpatient and inpatient cancer facilities, and provide convenient, comprehensive, high-quality oncology services for Yale-New Haven Hospital patients and their families.

While there are other hospitals in Y-NHH's service area that provide oncology services, the level and degree of quaternary services provided at Y-NHH differ, as do the number and types of clinical studies offered to patients. The Yale-New Haven Cancer Center/North Pavilion will provide a range of highly specialized services, research opportunities, and clinical trials. Patients requiring highly specialized treatments will no longer have to travel out of state to institutions such as Dana-Farber Cancer Institute in Boston or Memorial Sloan-Kettering Cancer Center in New York to receive the cancer care they need. The proposed project will create an integrated, comprehensive, state-of-the-art cancer center within the State that will allow patients to receive all the specialized high-quality care they need closer to home and limit the distance family members must travel.

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APPENDIX 1

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MAJOR MEDICAL AND/OR IMAGING EQUIPMENT

Equipment Type	Name	Model	Number of Units	Cost per unit
Linear Accelerator with 4 Pt Alignment	3 Vendors being considered	TBD Based on Vendor Selection	1	\$2,350,000
Linear Accelerator	3 Vendors being considered	TBD Based on Vendor Selection	1	\$2,350,000
PET/CT Simulator	3 Vendors being considered	TBD Based on Vendor Selection	1	\$2,900,000
MRI System	3 Vendors being considered	TBD Based on Vendor Selection	1	\$2,000,000
MRI System	3 Vendors being considered	TBD Based on Vendor Selection	1	\$2,500,000
Digital Radiographic/Fluoroscopic System	3 Vendors being considered	TBD Based on Vendor Selection	2	\$ 500,000
Digital Radiographic System	3 Vendors being considered	TBD Based on Vendor Selection	1	\$ 410,000
Whole Body CT Scanner	3 Vendors being considered	TBD Based on Vendor Selection	2	\$1,300,000
PET/CT Scanner	3 Vendors being considered	TBD Based on Vendor Selection	1	\$2,900,000

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APPENDIX 2

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STATE OF CONNECTICUT

Department of Public Health

LICENSE

License No. 0044

General Hospital

In accordance with the provisions of the General Statutes of Connecticut Section 19a-493:

Yale-New Haven Hospital, Inc. of New Haven, CT, d/b/a Yale-New Haven Hospital, Inc. is hereby licensed to maintain and operate a General Hospital.

Yale-New Haven Hospital, Inc. is located at 20 York Street, New Haven, CT 06504

The maximum number of beds shall not exceed at any time:
852 General Hospital beds
92 Bassinets

This license expires **September 30, 2005** and may be revoked for cause at any time.

Dated at Hartford, Connecticut, October 1, 2003. RENEWAL.

Satellites

Hill Regional Career High School, 140 Legion Avenue, New Haven, CT
Branford High School Based Health Center, 185 East Main Street, Branford, CT
Walsh Middle School, 185 Damascus Road, Branford, CT
James Hillhouse High School Based Health Center, 480 Sherman Parkway, New Haven, CT
Sheriden Academy of Excellence School Based Health Center, 191 Fountain Street, New Haven, CT
Vincent E. Mauro Elementary School Based Health Center, 130 Orchard Street, New Haven, CT
Weller Building, 425 George Street, New Haven, CT
Yale-New Haven Psychiatric Hospital, 184 Liberty Street, New Haven, CT



A handwritten signature in black ink, appearing to read "Norma Gyle".

Norma Gyle, R.N., Ph.D., Acting
Commissioner

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